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STATE OF MAINE

ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE
COMMITTEE ON STATE AND LOCAL GOVERNMENT

May 26, 2009

To: Senator Bill Diamond, Senate Chair
Representative Emily Cain, House Chair
Joint Standing Committee on Appropriations and Financial Affairs

From: Senator Deborah Simpson, Senate Chair *DS*
Representative Stephen Beaudette, House Chair *SRB*
Joint Standing Committee on State and Local Government

Re: Recommendation to fund LD 808

The State and Local Government Committee would like to express its unanimous and emphatic support for LD 808, An Act To Capitalize the Municipal Investment Trust Fund with Municipal Revenue-sharing Resources. This bill is currently on the Appropriations Table and we would like to recommend that it is funded. We support LD 808 which would provide loans through the Maine Municipal Bond Bank to municipalities for infrastructure projects. Given the emphasis at the federal level to invest in infrastructure projects and create jobs, it makes sense for the Municipal Investment Trust Fund to be funded at this time.

As you know, the State and Local Government Committee considered a number of bills this session (including the budget) related to the Fund for the Efficient Delivery of Local and Regional Services. The Committee was particularly concerned about the persistent raiding of the Fund (in every year but one since the inception of the Fund) in order to balance the budget. The Committee is unhappy with the fact that money intended for municipalities through municipal revenue sharing is being transferred to the State.

The State and Local Government Committee initially tabled LD 279, An Act To Amend the Laws Governing the Fund for the Efficient Delivery of Local and Regional Services, in order to coordinate with LD 808 being worked in the Taxation Committee. It obviously does not make sense to have competing measures for the same small pot of money. After we learned that the Taxation Committee had unanimously passed an amended version of LD 808, which would transfer the same money that is currently statutorily required to go to the Fund for the Efficient Delivery of Local and Regional Services into the Municipal Investment Trust Fund, the State and Local Government Committee voted unanimously Ought Not To Pass on LD 279. We encourage you to fund LD 808.